

MEMORANDUM FOR: Director of Central Intelligence
FROM : Deputy Director for Administration
SUBJECT : Special Retirement Option

1. Action Requested: That you authorize a special retirement option to eligible employees through 31 December 1974.

2. Background: The Office of Personnel has conducted a review, by Directorate, of projected strength levels as of 31 December 1974. The purpose of the review was to evaluate whether it is appropriate again to offer to eligible employees the option to retire under the discontinued service provisions of the Civil Service Retirement Act or the involuntary provisions of the CIA Retirement and Disability System. As you know, this retirement option greatly assisted the Directorates in meeting successively lower ceiling levels during the past few years. Furthermore, the option was offered with various limitations; i.e., GS-12's, specific functions, certain occupational categories, etc., so as to aid components in the managed reduction of particular personnel humps.

3. Staff Position:

a. The attached projections disclose that, while each Directorate and the E Career Service will be over ceiling as of 31 December 1974, the excess is not unmanageable. I sent to each Deputy Director and to the Head of the E Career Service Board a memorandum supplying estimates for their Offices and also calling to their attention other factors in determining whether the retirement option should be made available to their personnel.

b. For example, the forthcoming retirement cost-of-living adjustment which we expect will be effective 1 January 1975 may be sizable, and some employees might find it to their

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advantage to retire in order to obtain the benefits of that increase in annuity. If they retire by 31 December 1974, they will also receive the benefit of the 1 July 1974 cost-of-living should this improve their annuity. Accelerated retirements by employees not otherwise eligible to retire by 31 December, or unanticipated retirements from those who have not yet made this intention known which occur by 31 December, not only will reduce excess strength six months earlier than required, but also will permit planning for new hirings, particularly of minorities. With six or more months involved, depending on how many employees might choose to retire and how soon this intention is made known, there would be sufficient processing time left to recruit, clear and EOD new personnel.

c. The responses from the Deputy Directors and the Head of the E Career Service Board are attached. You will note that all but the Deputy Director for Intelligence believe that the special retirement option should now be made available. In my own Directorate, I have concluded that it would be wise to offer these retirement options on a limited basis.

d. Please note that the Deputy Director for Operations recommends extension of the retirement options throughout the remainder of FY 1975. We suggest that it might be more appropriate to offer these options as we have in the past; i.e., through 31 December and, if necessary, through the following 30 June. We have tried in the past to avoid conveying the impression to employees that this special opportunity to retire is a permanent right, and have also explained that this is an opportunity designed to assist the Agency in its personnel management. Moreover, by limiting this opportunity through 31 December 1974, interested employees will have to declare their intention to retire quickly, which will afford the Directorates more planning time. In January 1975 we will again evaluate the personnel situation and, if deemed necessary, will recommend extension of the retirement option to 30 June 1975.

4. Recommendation: It is recommended that you authorize the Deputy Directors and the Head of the E Career Service Board

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to offer to eligible employees the option to retire under the discontinued service provisions of the Civil Service Retirement Act and the involuntary provisions of the CIA Retirement and Disability System under whatever limitations they deem necessary, and that this opportunity be made available through 31 December 1974.

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John F. Blake
Deputy Director
for
Administration

Attachments:

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- Tab A - Strength Project
- Tab B - Directorate

APPROVED : _____

25 SEP 1974

DISAPPROVED: _____

Date

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